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City of Alexandria, Virginia

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MEMORANDUM

DATE: OCTOBER 16, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: RECEIPT OF PROPOSED CITY LEGISLATIVE PACKAGE FOR THE 2003 GENERAL ASSEMBLY SESSION

ISSUE: Receipt of proposed City legislative package for the 2003 General Assembly Session.

RECOMMENDATION: That City Council:

- (1) receive the proposals for the City's 2003 Legislative Package;
- (2) schedule the legislative package proposals for public hearing on Saturday, November 16; and
- (3) schedule adoption of the legislative package for Tuesday, November 26, following Council's work session with the General Assembly delegation.

DISCUSSION: Over the past several months, legislative and funding proposals for the City's 2003 Legislative Package have been submitted by Council Members, City departments, and boards and commissions. Seventeen such proposals are described below for your consideration as 2003 legislative package proposals. Section 1 contains legislative proposals that staff recommends for introduction by our delegation; Section 2 contains legislative proposals that staff recommends that the delegation support; and Section 3 includes proposals that the staff recommends that the delegation oppose. All the proposals are also summarized in the chart entitled "City of Alexandria 2003 Legislative Package Proposals" (Attachment 1).

The 2003 General Assembly Session will be a "short" 46-day Session, beginning January 8, and ending February 22. On December 20, 2002, Governor Mark Warner will submit proposed amendments to the State's current biennial budget, which governs state spending through June 30, 2004. Rewriting the budget to address state revenue shortfalls will undoubtedly be the major work of the upcoming Session. The revision of the budget will likely be the City's primary concern next Session, since significant state assistance for schools, social services, law enforcement, and other programs is at stake. Because of the shortfall in state revenues, staff is not recommending any proposals for funding of new programs in this year's legislative package.

Legislative Director Bernard Caton will represent the City in Richmond again this year, and we will report to you regularly on the status of legislative and budget issues that arise during the 2003 General Assembly Session.

1. Requests for Legislation to Be Proposed

1.A. Assessments on New Buildings.

State law allows localities, with the exception of Fairfax County, to make a supplemental assessment on any substantially completed building that is fit for occupancy, as long as the completion date for the building falls before the first of November. If such a building is completed between November 1 and December 31, the locality must wait until the following year to revise the assessment on the building.

In the 1999 General Assembly Session, Fairfax County was granted authority to perform supplemental assessments on buildings throughout the entire year (i.e., they can now do these assessments on buildings completed between November 1 and December 31). The County was required to pass an ordinance to use this new authority. Fairfax now prorates real estate taxes on all newly constructed buildings based on the number of days in the tax year that they are fit for occupancy.

The City recommends that it be given the same authority as Fairfax County. It is also working with other localities to get their support for this proposal. If this authority were implemented in Alexandria, staff estimates that it could result in approximately \$150,000 in new revenue annually.

1.B. Child Day Care Funding Issues (Early Childhood Commission)

For several years now, the City has sought additional state funding for those residents who receive state and local child day care financial assistance. While it would be unrealistic to expect increases in state funding for child day care in the 2003 Session, the Early Childhood Commission (ECC) recommends that current state funding be preserved to the greatest extent possible.

The ECC also recommends that the state put additional money into this program when state revenues improve. Finally, the ECC would like the state to make increased child day care funding a priority when the federal government's major welfare program, Temporary Assistance to Needy Families (TANF), is reauthorized (this is expected to occur next year).

More specifically, the ECC recommends the following priorities for child day care programs when new money becomes available. The City's General Assembly delegation may wish to incorporate language into the current state budget, directing the Administration to take these proposals into consideration when developing the next biennial budget.

A. Give TANF "Graduates" Additional Child Day Care Assistance. Current state policies make those parents who are making the transition off welfare (TANF) eligible to receive child day care assistance for up to 12 months. Most parents are not making sufficient wages to meet child day care and other needs at the end of this 12-month period. Ray Goodwin, Deputy Director of the Virginia Department of Social Services, recently noted that a new study prepared for the Department "shows that there have been many successes in welfare reform in Virginia, but some moving off welfare still struggle for self-sufficiency." To help address this problem, the ECC recommends that state policy be changed (and funding provided) so that parents are eligible for child day care assistance for an additional year after "graduating" from TANF. This would allow TANF "graduates" to stay employed, improve their wage rates, and eventually become totally self-supporting.

B. Revise eligibility policies to reflect the high cost of living in Northern Virginia. Prior to 1996, Northern Virginia localities had the option of providing state child care subsidies for families with annual incomes up to 75% of the state median income. At that time, families with monthly incomes of about \$3,000 or less (for a family of four) were eligible for this assistance in many Northern Virginia jurisdictions.

Since 1996, income limits in Northern Virginia have been lowered significantly. In Northern Virginia, a family of four is now eligible for child day care assistance only if its income does not exceed about \$2,700 monthly. Federal regulations allow Virginia to extend these subsidies to families whose monthly incomes are at or below \$4,800 for a family of four.

The ECC recommends that Northern Virginia eligibility levels be returned at least to their 1996 levels.

C. Ensure that reimbursement rates reflect the actual child care market. The Virginia Department of Social Services (DSS) is required (1) to survey local child day care providers biennially to determine actual market rates, and (2) to use these survey results to set state reimbursement rates. The state completed its most recent Alexandria survey in 1999, and did not use this data (which was flawed) to revise rates until 2001. Finally, DSS admitted that the rates it set in 2001 included only half the increase justified by its flawed and outdated survey.

When reimbursement rates are set lower than actual market rates, low-income parents frequently must pay the difference to their child care providers. Furthermore, the number of individuals willing to provide child day care services decreases when reimbursement rates are too low, making it difficult for low-income families to find child care.

The ECC recommends that DSS (1) undertake its market survey every two years, (2) revise rates in a timely manner after each survey, and (3) set and fund these revised rates at the 75th percentile of the market survey. This will help ensure that low-income families have access to affordable, quality child care. A position similar to this was included in the City's 2002 Legislative Package.

1.C. Privileged Communications: Sexual Assault & Domestic Violence Victims (The Commission for Women)

The Alexandria Office on Women has a strong and caring program in which it supplies advocates to assist victims of sexual assault and domestic violence. These victims and advocates often discuss some of the most personal and confidential information about the victim's life and the sexual assault or domestic violence directed against the victim. In recent years, these Alexandria programs, as well as similar programs around the Commonwealth, have experienced an influx of subpoenas for confidential records, or for the advocates to testify about the information they have received from the victims.

Although victims have spoken to their advocates with the belief that any information they give will be held in confidence, there is no Virginia statute that protects the confidentiality of communications between these advocates and victims. Without this confidentiality, those who have been assaulted are further victimized and their willingness to participate in the legal process may be hindered. In addition, when staff members are subpoenaed, the efficacy of these advocates is severely compromised. Furthermore, responding to subpoenas requires advocates to spend scarce time researching records and testifying in court – time that should be spent in support of victims.

Thirty-three other states, including North Carolina and Alabama, protect confidential communications between clients and their advocates.

The Commission for Women believes that Virginia law should protect the confidentiality of communications between victims and advocates. Since there is likely to be some opposition to such a statutory change, the Commission believes that a legislative study could educate General Assembly members about the problem, and help develop support for a bill in the future. The Commission for Women recommends that the State Crime Commission and its Domestic Violence Subcommittee study this issue and propose appropriate legislation to the 2004 General Assembly Session.

1. D. Payments to Foster Care Parents (Child Welfare Partnership)

Foster parents are people who generously open their homes to children in need, and are committed to meet the individual needs of these children. They work in partnership with the child, the City, and in many cases the birth parents to help in resolving problems and reuniting the family whenever possible. Most children in foster care are going through a troubled period in

their family life. They are often confused, sad, and angry, and need a great deal of support and attention from their foster parents.

The state provides some funding to cover the costs incurred by foster parents. Currently, this ranges from \$194 monthly for a child 4 years old or younger, to \$436 for a child 13 or older.¹ This pays for far less, however, than the \$689 that the federal government estimated in 2000 as the average monthly cost (not including medical care) of raising a 9-year-old child.

The City's Child Welfare Partnership believes that the state should substantially increase payments to foster parents. It realizes that this will not occur during the current state budget crisis. The Partnership would like the state to be ready to revise foster care rates once state revenues improve, and recommends that the Virginia Department of Social Services and the Virginia Department of Planning and Budget study foster care rates and report their findings and recommendations for revised rates to the 2004 Session of the General Assembly.

2. Requests for Legislation to Be Supported

2. A. Education Funding: Support Virginia Municipal League Position to Increase and Restructure State Education Funding (Mayor Donley)

Local governments throughout the Commonwealth currently pay a disproportionate share of the costs for the instructional and support staff necessary to meet state educational standards. In 2002, the Virginia General Assembly's Joint Legislative Audit and Review Commission (JLARC) completed a two-year review of state and local education funding. This study documented a shortfall of \$1 to \$1.4 billion in state educational funding for school systems throughout the state.

The Virginia Municipal League (VML) and the Virginia Association of Counties (VACO) have reviewed the JLARC report, and developed a proposal to address the inadequacy of state funding for K-12 education. This proposal, which would require additional state revenues, would also address a well-documented need for additional revenues at the local level.

The VML/VACO proposal seeks to replace the current education funding formula with a simpler one. The new formula would be based on the cost of education services and at-risk student levels, and would recognize cost differentials across the state. Under the current draft proposal (which, staff cautions, could change significantly before such a proposal is ever enacted), the City of Alexandria is projected to receive over \$26 million in new revenue.

Although this proposal could not be funded while the state is experiencing its current revenue shortfall, VML and VACO are pursuing this as a long-term goal. Mayor Donley has recommended that the City also support this proposal.

¹In cases where a child is living on his own, in an independent living arrangement often connected with attendance at college, the monthly payment increases to \$644.

2. B. Revisions to the Red Light Camera Law (Councilman Speck)

Alexandria initiated a pilot red light camera enforcement program in 1997 to reduce the number of red light violations. Under this program, a private vendor under contract with the City photographs motor vehicles that run red lights at three intersections (Patrick and Gibbon, Duke and Walker, and Seminary and Nottingham). The vehicle's owners are then identified, using Virginia Department of Motor Vehicles records, and each owner is sent a notice of violation and is required to pay a \$50 fine. Under the state law, no points are assessed against a vehicle owner's driving record. This program has been effective in helping to reduce red light violations in the City.

In recent General Assembly Sessions, legislation has been introduced to extend red light camera authority to a number of localities that do not have it,² and to eliminate the program's 2005 sunset provision. Without the elimination of the sunset provision, the City will not be able to continue its program beyond July 1, 2005. Staff expects this legislation to be introduced again in 2003.

Councilman Speck has asked that the City include in its Legislative Package support for this legislation. A position supportive of the State's red light camera law was included in the City's 2002 Legislative Package.

2. C. Use of Urban Funds for Traffic Calming (Carryover Legislation)

Virginia's urban system funds provide the major source of funding for construction improvements to City streets. These are earmarked and distributed as a part of the Virginia Department of Transportation's (VDOT) multi-year planning process. Projects that use these funds must be approved by the Commonwealth Transportation Board or VDOT staff.

Prior to the 2002 Session, the City was told by VDOT regional staff that these funds could not be used for traffic calming without new statutory authority. At the City's request, Delegate Karen Darner introduced HB 130 to give any city or town the ability to use a portion of its state allocation for traffic calming projects. The bill was carried over in the House Transportation Committee. VDOT headquarters staff advised Delegate Darner and the City that a portion of its allocation may be spent for traffic calming projects if those items are included in the City's list of projects submitted for incorporation into the Commonwealth Transportation Board's Six-Year Improvement Program. Delegate Darner has written to the VDOT Commissioner to confirm this interpretation of current law. If the Commissioner concurs, HB 130 will not be needed. If the Commissioner does not concur, staff recommends that the City continue to pursue this legislation.

2. D. Funding for Pre- and Post-Release Services (Councilman Euille and Economic Opportunities Commission)

²Eight localities are authorized to operate red light camera programs: the cities of Alexandria, Fairfax, Falls Church, Richmond, and Virginia Beach, and the counties of Arlington, Fairfax, and Loudoun.

Since 1977, the Virginia CARES Network has provided services to help over 50,000 prisoners make the transition back into society, and prevent them from returning to prison. Virginia CARES estimates that it costs over \$20,000 a year to keep a person in prison, but only \$300 (a one-time cost) for this organization to provide the help that keeps a person from returning to prison.

The state has provided funding for Virginia CARES for a number of years. Last Session, the organization's state funding was reduced by 20 percent (to about \$1.8 million) from the previous year's level for the first year of the current biennium, and eliminated altogether for the second year. The Economic Opportunities Commission has asked the City to support the restoration of state funding to this program for FY 04, at the same level as the current fiscal year (\$1.8 million).

2. E. State Earned Income Tax Credit (Mayor Donley and Economic Opportunities Commission)

For a number of years now, legislation has been introduced in the General Assembly to create a state Earned Income Tax Credit (EITC). An EITC is a special credit for low-income working persons. A federal EITC already exists. Under the federal program, a single taxpayer with more than one child qualifies for the credit if the individual's earned income (e.g., wages and salaries) does not exceed \$33,178 a year; a married couple's earned income cannot exceed \$34,178.³

Most of the past EITC proposals sought to give a Virginia tax credit equal to 10 percent of the credit awarded the taxpayer under the federal program. Until 1998, all the proposals were defeated. That year, legislation was passed to create a tax credit equal to the greater of: (1) 75 percent of the taxpayer's federal earned income credit, or (2) \$300 per child under 18 living at home. The credit was also limited to the taxpayer's tax liability (under the federal program, recipients of EITC recipients are sent a check for the difference if their EITC credit exceeds their tax liability). Funding for this program was to be provided by the state as a part of Virginia's maintenance of effort required under the federal TANF (Temporary Assistance to Needy Families) program, subject to federal approval of the concept. When the federal government reviewed this legislation, it agreed that TANF funds could be used for this purpose, but only for tax year 1998.⁴

As part of its 2000 and 2001 Legislative Packages, the City proposed state EITC legislation that, like the federal version, would have been refundable (the taxpayer would have received a check from the state if his credit exceed his tax liability). This legislation was defeated by the General Assembly, which instead enacted a bill that gives a state tax credit of up to \$300 annually to taxpayers whose family income does not exceed federal poverty limits. This credit is non-refundable (if it exceeds the person's tax liability, the state does not send him a check for the difference).

³This is the maximum income eligibility for tax year 2002.

⁴ Because the program did not meet all the requirements of an "expenditure" under TANF regulations, the federal government said that it could not permanently certify the program.

A 2001 study by the Center on Budget and Policy Priorities (CBPP), a non-profit institute that conducts studies on issues that affect low and middle-income households, found that 15 states and the District of Columbia offered a state Earned Income Tax Credit at the end of 2001.⁵ The annual cost of these programs ranged from \$6 million in Iowa to \$361 million in New York. The CBPP estimated in that study that if Virginia created a refundable state Earned Income Tax Credit giving families a state credit equal to 10 percent of the credit they receive under the federal program, it would cost the state \$68 million annually. CBPP provided data to City staff which shows that approximately 11 percent of City residents who file federal tax returns receive the federal Earned Income Tax Credit, and would thus be eligible under a state program which is based on the federal one.

At the City's request, Delegate Brian Moran introduced HB 1025, which would provide a refundable state earned income tax equal to 10 percent of the federal credit for any tax payer. This bill was carried over for consideration by the 2003 Session. Mayor Donley and the Economic Opportunities Commission have recommended that the City continue to support a refundable earned income tax credit.

2. F. Community Services Block Grants (Economic Opportunities Commission)

The Department of Human Services' Office of Community Services provides a wide range of emergency services, crisis intervention, and housing assistance to low-income persons in Alexandria. Much of this is supported financially by federal and state Community Services Block Grants (CSBG). During the current fiscal year, the City will receive about \$51,000 in CSBG funds. There is never enough CSBG funding to support all the eligible needs of the low-income individuals the program serves.

Because of the current state budget crisis, the Economic Opportunities Commission knows that it cannot expect the state to increase CSBG funding. It does recommend, however, that CSBG funding be continued at its current level, and not reduced as part of the State's efforts to balance its budget. The City supported funding for CSBGs in its 2002 Legislative Package.

2. G. Issues Endorsed by the Alexandria Commission on Aging

The Alexandria Commission on Aging regularly asks Council to endorse the legislative platform of the Northern Virginia Coalition on Aging and the Virginia Coalition for the Aging. The Commission then testifies in support of the platform during the General Assembly Session. Council has followed this process since 1997 (authorizing the Commission to support the Coalitions' platforms).

⁵Nicholas Johnson, Center on Budget and Policy Priorities (Washington, D.C.), *A Hand Up, How State Earned Income Tax Credits Help Working Families Escape Poverty*, 2001 Edition.

This year the Coalitions have a very simple platform (Attachment 2). It asks that the General Assembly maintain essential services to older Virginians in 2003 as it considers revisions to the biennial budget.

2. H. Virginia Housing Development Authority Loan Eligibility (Human Rights Commission)

The Virginia Housing Development Authority (VHDA) is a state entity that makes loans for affordable housing to first-time home buyers with low and moderate incomes. VHDA loans are more attractive to home buyers because they generally require a lower down payment, a lower interest rate, or both.

Several years ago, the VHDA Board adopted a new regulation. This regulation restricts VHDA loans, in the case of two or more individuals who wish to purchase a home, to persons who are related by blood or marriage. Because of this restriction, unrelated couples, including same-sex couples, cannot receive VHDA assistance. The Human Rights Commission has asked the City to support legislation to prohibit such a regulation. The Human Rights Commission has similarly recommended that the City oppose any legislation that would enact the existing regulation as a statute. Council adopted a similar position on this issue in the City's 2002 Legislative Package.

2. I. Restoration of Civil Rights for Felons (Human Rights Commission & Economic Opportunities Commission)

Under Virginia law, any person convicted of a felony forfeits certain civil rights for life, including the right to vote. The Virginia Constitution reserves to the Governor the power to restore these rights. Virginia's process for restoring rights has been one of the most restrictive in the country. In recent years, there have been increased complaints about the difficulties felons in Virginia face if they try to have their rights restored. They often have no idea how the process works, and have found it difficult to determine the status of their requests to have their rights restored.

Legislation (HB 1080) passed by the 2000 General Assembly addressed some of these problems. It required the Virginia Department of Corrections to explain to felons, at the completion of their prison sentence, the state process for restoring civil rights. HB 1080 also directed the Secretary of the Commonwealth (who prepares, for the Governor, the paperwork on the restoration of rights) to notify felons once a completed application for the restoration of rights has been received. Finally, the bill required the Secretary of the Commonwealth to notify an applicant of the Governor's decision (whether or not voting rights will be restored) no later than 90 days after that decision had been made.

Governor Mark Warner recently announced further changes to streamline the process by which those convicted of non-violent felonies, other than drug distribution offenses and voting fraud, may regain their civil rights (including the right to vote, to hold public office, to serve on a jury and to serve as a notary public). Under the new policy adopted by the Governor, these offenders may apply for a restoration of rights three years (as opposed to the existing policy of 5 years) after completing their sentence, as well as any suspended sentence, probation, parole or

supervised release. The application has been reduced to a single page. The Commonwealth will continue to perform a criminal background check on all applicants. Those applicants who have not been convicted of any offense since the conviction which caused them to forfeit their civil rights, and have no pending criminal charges, will have their voting rights restored. The Governor's new policy also provides for all applicants to receive a decision from the Governor within six months of submitting a completed application.

For over a year now, a Task Force of the Virginia State Crime Commission has been studying this issue. This Task Force is chaired by Delegate Brian Moran, and is expected to recommend to the 2003 General Assembly that the State Constitution be amended to authorize the General Assembly to provide by statute for the restoration of a felon's rights. If such an amendment is enacted, the General Assembly could provide by statute for the continuation of Governor's Warner revised procedures or similar ones. Without such an amendment, a future Governor could retract the Warner process and return to the earlier slower, more cumbersome one.

Alexandria's Human Rights and Economic Opportunities Commissions recommend that the City support further modifications to the process for restoring voting and other civil rights, so that more felons would have these rights restored after they complete their prison sentences. The City supported modifications to the process for restoring civil rights for felons in its 2002 Legislative Package.

2. J. Motor Vehicle Accident Investigations

The Code of Virginia requires any law enforcement officer who investigates a motor vehicle accident which results in total property damage estimated at \$1,000 or more to file a written report of the accident with the Virginia Department of Motor Vehicles. This statute has been in the Virginia Code for a number of years, and has been amended from time to time, mainly to increase the threshold for which these written reports are required. The threshold was originally set at \$500 in 1986. It was raised to \$750 in 1988, and to \$1,000 in 1992. It has remained at that level for 10 years. In 2001, legislation to increase the threshold to \$2,500 was defeated.

A police officer spends about an hour preparing one of these reports, and the Alexandria Police Department believes that this time should be spent on more important duties than preparing reports on many relatively minor accidents. Police recommend that they continue to respond to and investigate all accidents, but not file written reports on accidents involving less serious property damage. Law enforcement officers can still charge a driver found at fault even when minor damage does not trigger the completion of a state report.

The Alexandria Police Department has asked the City to support an increase in the threshold to something above \$1,000. The threshold would be approximately \$1,300. If it were increased to a level that would take into account increases in the cost of living since the threshold was last changed (1992). The City recommends that the delegation support legislation to increase this threshold if it is introduced.

2. K. Yielding to Pedestrians in Crosswalks (Mayor Donley)

Pedestrian safety is a major issue for Northern Virginia localities. The high volume of traffic often makes it difficult for pedestrians to cross roads, even at crosswalks.

Current law (§ 46.2-924) requires drivers to yield, but not stop, at any clearly marked crosswalk where the legal maximum speed does not exceed 35 miles per hour. Staff from various Northern Virginia localities believe that pedestrian safety would be enhanced if localities could enact ordinances requiring drivers to stop for any pedestrian using a crosswalk at a non-signalized intersection on a road where the legal maximum speed does not exceed a given moderate speed (e.g., 30 miles per hour). The Northern Virginia Mayors and Chairs recently agreed to recommend that their localities include this legislation in their legislative packages for the upcoming Session.

3. Requests for Legislation to Be Opposed

3. A. State Surcharge on Municipal Solid Waste (Mayor Donley)

In 2001, the Virginia Recycling Markets Development Council, a State-chartered advisory body, recommended that the state adopt a surcharge on all municipal solid waste (MSW) disposed of in Virginia, including that which is incinerated at waste-to-energy (WTE) facilities. Although no surcharge legislation was introduced in the regular 2001 Session, the Governor asked the General Assembly to adopt a surcharge statute at the 2002 Veto Session. The Governor's proposal would have exempted WTE plants from paying the surcharge on waste they received (although the ash a WTE facility sends to a landfill probably would have been subject to a surcharge), and would have returned a portion of the surcharge revenues to local governments for use in programs aimed at conserving and protecting their natural resources (e.g., the preservation of open space). This legislation, which would have been beneficial to the City as drafted, was carried over to the 2003 Session, where it or other surcharge legislation is likely to be considered. Staff is concerned that legislation in 2003 may not have a WTE exemption. Without such an exemption, the WTE facility jointly owned by the City of Alexandria and Arlington County could suffer significant revenue losses.

The Arlington-Alexandria facility has been operated since its opening by a private-public partnership. With the loss of flow control authority following a 1994 Supreme Court decision, the Alexandria/Arlington facility began to lose customers, and it had to lower tipping fees (below the actual facility costs) for private customers so that they would continue using the facility. At the same time that the facility's fees were being lowered, federal Clean Air Act requirements forced the facility to make expensive capital improvements, which were financed with a \$46.1 million bond issue. These combined financial pressures – lower revenues from tipping fees, and higher costs for expensive capital improvements – may result in the need for Alexandria and Arlington to provide ongoing, substantial subsidies to the facility. To date, we have avoided such a taxpayer subsidy by drawing down reserves to cover operating losses (these reserves were

established in part for capital improvement purposes), and by increasing local solid waste fees charged to our residents.

If a tipping fee is also added, it will quickly and significantly increase any taxpayer subsidy needed for this facility. For this reason, Mayor Donley has asked that the City oppose any legislation recommending a waste disposal surcharge fee for WTE facilities, or the resulting ash from these facilities. The City opposed surcharge fees for WTE facilities in its 2002 Legislative Package.

3. B. Cluster developments (Councilwoman Eberwein)

The 2002 General Assembly passed legislation (HB346) that significantly revises local authority over cluster development. This bill authorizes localities to regulate cluster developments by ordinance only – not by issuance of a special use permit, except in certain cases (localities may require special use permits for cluster developments of 2 acres or less, or cluster developments that would have density greater than that otherwise permitted for the property). Localities have until July 1, 2004, when special use permits for most cluster developments become prohibited, to adopt a cluster ordinance.

This cluster legislation (which the City supported) was developed as a compromise between the building industry and local governments. One of the compromise issues involved the regulation of building design features in a cluster ordinance. All parties to the compromise bill agreed that local governments could include specific standards for open space, landscaping, roads, and building design in a cluster ordinance.

The City of Suffolk has already prepared a draft cluster ordinance that incorporates design standards. Some General Assembly members have questioned whether design standards should be included in a cluster ordinance, in spite of the compromise that was reached on this issue, and have questioned whether additional cluster legislation, more restrictive of local government authority, is needed.

Councilwoman Eberwein has asked that the City oppose any efforts to further limit local authority to regulate cluster development.

STAFF:

Bernard Caton, Legislative Director
Michele Evans, Assistant City Manager

ATTACHMENTS:

Attachment 1. Summary Chart entitled “City of Alexandria 2003 Legislative Package Proposals”
Attachment 2. 2003 Legislative Platforms of the Virginia Coalition for the Aging and the
Northern Virginia Aging Network

Attachment 1

2003 Proposed Items for City of Alexandria Legislative Package

ISSUE	PROPOSED ACTION
1.A. Assessments on New Buildings	Propose Legislation
1.B. Child Day Care Funding Issues	Propose Budget Language
1.C. Privileged Communications: Sexual Assault & Domestic Violence Victims	Propose Study
1.D. Payments to Foster Care Parents	Propose Study
2.A. Education funding	Support Legislation
2.B. Revisions to the Red Light Camera Law	Support Legislation
2.C. Use of Urban Funds for Traffic Calming	Propose Legislation
2.D. Funding for Pre- and Post-Release Services	Support Legislation
2.E. State Earned Income Tax Credit	Support Legislation
2.F. Community Services Block Grants	Support Funding
2.G. Issues Endorsed by the Alexandria Commission on Aging	Support Proposals
2.H. VHDA Loan Eligibility	Support Legislation
2.I. Restoration of Civil Rights for Felons	Support Legislation
2.J. Motor Vehicle Accident Investigations	Support Legislation
2.K. Yielding to Pedestrians in Crosswalks	Support Legislation
3.A. State Surcharge on Municipal Solid Waste (WTE)	Oppose Surcharge on WTE
3.B. Cluster Developments	Oppose Legislation



Virginia Coalition on Aging Public Policy Statement – 2003



The Commonwealth of Virginia finds itself in an extremely painful financial situation. The Administration and the General Assembly worked with determination during the early days of 2002 to close an almost \$4 billion budget shortfall. We greatly appreciate the commitment to maintain essential services to our most vulnerable citizens. Without that commitment, many frail and elderly Virginians would have lost critically needed services.

To our elected leaders, the Virginia Coalition on Aging applauds your resolve and dedication to the protection of our most vulnerable Virginians.

In FY 2003 we find ourselves facing a shortfall of over \$1.5 billion. You, the people we entrust with the responsibility to decide what kind of Virginia we live in, we implore you to remember that older Virginians, especially those who are frail and vulnerable, helped make Virginia the place that we call home, the place we are so proud of today. We must not let them down, we must not turn our backs when they need our help.

We know that the budget must be balanced, but it must not be balanced on the backs of those least able to afford it.

Attached is the legislative platform prepared by the Virginia Coalition for the Aging for the 2002 session. It was intended as guidance for the preparation of the 2002-2004 budget. The numbers used remain valid today. The financial condition of the Commonwealth today is deeply troubling but we do not believe that permitting waiting lists for vital services to increase is the burden that Virginia's Seniors should bear.

We encourage you to keep your commitment to maintain these essential services for older Virginians and to pursue with persistence efforts to reduce the widening gap between our elderly in need and the services to support them.



Virginia Coalition on Aging



The essentials for Older Virginians:

- Support to stay in their homes and communities –
 - Meals
 - Transportation
 - In-home services and support
 - Care coordination
 - Respite
 - Adult Day Care
- Enhanced availability and quality of care in Long-Term Care Facilities.
- Adequate funding to promote health and safety to prevent abuse, neglect and exploitation -
 - Adult Protective Services
 - Guardianship
 - Research to improve the quality and effectiveness of services
 - Prescription assistance
 - Long-Term Care Ombudsman

Home and community-based services help elder Virginians remain in the least-restrictive setting and function as independently as possible by establishing and/or strengthening appropriate family and social supports. Adequate home and community-based care decreases the risk of institutional placement, the overall costs for long-term care, and the risk of adult abuse, neglect, and/or exploitation. These services assist adults unable to care for themselves.

Total documented unmet need across all essential services listed above as of December 2001 = \$55.9 million

For additional information, contact:

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City of Alexandria, Virginia9
11-16-02

MEMORANDUM

DATE: NOVEMBER 11, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: ADDENDUM TO THE PROPOSED CITY LEGISLATIVE PACKAGE FOR THE 2003 GENERAL ASSEMBLY SESSION (COUNCILWOMAN WOODSON AND COUNCILMAN SPECK)

ISSUE: Addendum to the proposed City Legislative Package for the 2003 General Assembly Session (Councilwoman Woodson and Councilman Speck).

RECOMMENDATION: That City Council incorporate this addendum into the 2003 Legislative Package, which is scheduled for public hearing on Saturday, November 16. The addendum contains proposals from Councilwoman Woodson to preserve state funding for the Virginia Juvenile Community Crime Control Act, and from Councilman Speck to authorize localities to increase the recordation tax to provide funds to preserve or purchase open space.

DISCUSSION: On October 23, Council received the City's proposed Legislative Package for the 2003 General Assembly Session, and scheduled it for public hearing on November 16. At the October 23 meeting, Councilwoman Woodson asked staff to incorporate an additional item into the proposed legislative package: support for continued state funding (with no additional budget reductions) for the Virginia Juvenile Community Crime Control Act (VJCCCA). After the October 23 meeting, Councilman Speck asked that staff add a proposal to authorize local governments to increase the local recordation tax, and use the increased revenue from the tax to purchase or preserve open space.

Virginia Juvenile Community Crime Control Act. The VJCCCA funds programs in Alexandria and other localities that provide alternatives to secure detention for juveniles, such as the day reporting centers (which provide structured supervision to juveniles), the Youth Educational Program (which seeks to divert first-time shoplifters from additional offenses), and the School Liaison Program (which attempts to stop patterns of truancy). In FY 2002, the City received \$525,951 in VJCCCA funds. For FY 2003, this funding was reduced to \$275,716 (statewide VJCCCA funding was reduced from \$29.5 million in FY 2002 to \$14.5 million in FY 2003). The City increased its existing supplement to this program, and is providing approximately \$300,000 to VJCCCA programs in FY 2003. It is unlikely that the City will be able to fully fund

additional cuts that are made to this and other programs as the state seeks to address its current budget shortfall.

Councilwoman Woodson has asked that the City support continued state funding levels for the VJCCCA.

Funding for Open Space. Alexandria is a relatively small but very densely populated City. Residents of the City value park land and other open space. At the City's 1998 Environmental Summit, open space was identified as one of the top three environmental quality of life issues. The recently completed Strategic Master Plan for Open Space, Parks, Recreation Facilities and Recreation Programs concluded that the City would need to add 100 acres of open space by 2012, if it is to continue to provide 7.5 acres of open space per 1,000 residents, as it did in 1990.

Real estate in Alexandria is very expensive, and land available to purchase or preserve as open space is scarce. The City would like to enhance its efforts at preserving and providing open space to its residents, but is inhibited from doing this by a shortage of funds for this purpose.

Councilman Speck has been working with members of the General Assembly's Commission on Growth and Economic Development to seek support for providing localities with additional funding mechanisms to purchase and preserve open space. Councilman Speck has asked that the City seek legislation in the 2003 Session to authorize localities to increase the local recordation tax (paid when real estate is transferred from one owner to another) and use the new revenue to purchase or preserve open space.

STAFF:

Bernard Caton, Legislative Director

City of Alexandria, Virginia

9
11-16-02

MEMORANDUM

DATE: NOVEMBER 14, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *ps*

SUBJECT: ADDENDUM (SECOND) TO THE PROPOSED CITY LEGISLATIVE PACKAGE
FOR THE 2003 GENERAL ASSEMBLY SESSION (MAYOR DONLEY)

ISSUE: Addendum to the proposed City Legislative Package for the 2003 General Assembly Session (Mayor Donley).

RECOMMENDATION: That City Council incorporate this addendum into the 2003 Legislative Package, which is scheduled for public hearing on Saturday, November 16. This addendum contains a proposal from Mayor Donley to increase the sales tax on motor fuels, which is charged only in those localities which are members of the Northern Virginia Transportation Commission (NVTC) and the Potomac-Rappahannock Transportation Commission (PRTC). NVTC jurisdictions are the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington, Fairfax, and Loudoun; PRTC jurisdictions are the cities of Fredericksburg, Manassas, and Manassas Park, and the counties of Prince William and Stafford.

DISCUSSION: On October 23, Council received the City's proposed Legislative Package for the 2003 General Assembly Session, and scheduled it for public hearing on November 16. Since then, two items have been added to the package (funding for the Virginia Juvenile Community Crime Control Act and authority to increase the local recordation tax to acquire open space), as set out in a November 11, 2002, addendum. Mayor Donley has asked that the City also seek legislation which would increase, from 2 percent to 4 percent, the sales tax on motor fuels which is charged in Northern Virginia.

The 2 percent sales tax on fuel was enacted by the 1980 General Assembly to provide a consistent and dedicated revenue source for the new Metrorail system. Revenues originally were collected on all fuel purchases in those localities which belonged to NVTC at that time (the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington and Fairfax). In 1986, the tax was extended to PRTC, where it is used to pay for a portion of the costs of VRE (the Virginia Railway Express) and other transportation programs. The tax has been assessed on motor fuel sales in Loudoun since that county joined NVTC in 1990.

Since the tax is assessed based on the cost, and not the amount, of fuel purchased, total revenues sometimes vary considerably from year to year. Total NVTC revenues grew from \$17.2 million in FY 2000, to \$21.2 million in FY 2001, but they fell to \$18.4 million in FY 2002.

NVTC motor fuels tax revenues for WMATA (Metro) compact members (which is all NVTC localities except Loudoun) are used exclusively to pay for WMATA expenses. Each locality is generally credited with the amount of revenues raised from actual fuel sales in the locality, and this credit reduces the WMATA subsidy owed by the locality. Loudoun uses its motor fuels tax revenues for its own transit and transportation needs.

State taxes on motor fuels in this region are: Virginia: \$0.175/gallon; District of Columbia: \$.020/gallon; and Maryland: \$0.235/gallon.

In FY 2002, \$1.64 million was raised from motor fuels sales taxes in the City of Alexandria. If the rate had been 4 percent, rather than 2 percent, revenues from motor fuel sales would have been \$3.3 million, which would have been credited toward the City's WMATA obligations.

While it is difficult to fully project the City's future WMATA obligations, the proposed WMATA CIP includes projects that could require as much as \$215 million in City funds over the next 10 years. Only \$20 million of this is funded in the City's current CIP. While the CIP actually approved for WMATA may be lower than the WMATA proposal, this demonstrates the City's need for additional dedicated transit revenues.

STAFF:

Bernard Caton, Legislative Director

HOPKINS HOUSE



A Center for Children and their Families

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9/10
11-16-02

REMARKS BY JULIE JAKOPIC ON BEHALF OF HOPKINS HOUSE, AT THE ALEXANDRIA CITY COUNCIL'S PUBLIC HEARING.

November 16, 2002

Good evenings Mr. Mayor, members of Council, and Mr. City Manager. We are here today to speak in support of the Early Childhood Commission's proposals for child care funding. My name is Julie Jakopic, I am chair of Hopkins House's Public Education Sub-committee.

Hopkins House started as a nursery in 1939 and for all these 63 years, our primary interest has been the care and education of children and their families. The organization operates two preschools in the City of Alexandria, serving 93 children residing in neighborhoods throughout the City. Our services are distinguished by our focus on the children of working families -- mostly low-income or single-parent families.

The commission has asked for three things pending the availability of funds--

1. Additional child care assistance for parents leaving welfare
2. Revised eligibility
3. Revised reimbursement rates.

We would like to address each of these recommendations.

Extended eligibility for assistance for TANF parents

Child care is a crucial work support for families leaving assistance for employment. However the path to self-sufficiency for these families is not immediate but a continuum. Many of the parents leaving assistance are employed in low wage jobs. For many of these workers, an annual raise of 5 percent may only mean an additional \$.50 per hour. While this may be a reasonable wage increase, it is insufficient for these families to assume the full cost of child care. We support the request that the period of eligibility be extended from 12 to 24 months so that these families may have sufficient time to stabilize their employment and increase their earnings.



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Revised eligibility levels

In 1996, prior to welfare reform, families in Northern Virginia were eligible for child care subsidies if their income was below \$3,000 per month. Current federal regulations would permit families with incomes up to \$4,500 per month to receive subsidy assistance. However, the current state determined eligibility level for Northern Virginia is at only \$2,700 per month; 10 percent lower than in 1996, and more than 40 percent lower than permissible under federal law. We support the Commission's recommendation that the eligibility level be increased to that allowable by federal law, or 85 percent of state median income of \$4,500.¹

Revised reimbursement rates

The amount of subsidy a family receives is based on an assessment of market rates for child care. Current rates are based on 1999 data and does not fully account for the market rate at that time due to flawed and outdated data. The current rates are inadequate to fully cover the cost of care from many providers, which impacts the quality of care our children receive. At Hopkins House, the cost of care for a child exceeds the subsidy level by \$20 each week. Many families cannot afford this additional cost. We have worked to adapt to this by providing over \$19,000 in preschool scholarships to 44 children from low-income, working families during the 12-month period ended this past June. However we cannot afford to do this for all families.

Why are these recommendations important?

Child care is the single most crucial work support to families working their way out of poverty and assistance to self-sufficiency. Without safe, convenient, consistent and affordable child care, parents cannot work. The child care subsidy program serves ...families to make this transition possible.

Child care is a short term assist that produces long term results. Child care subsidies make it possible for families to avoid catch as catch can care and provide quality, consistent care which has long term consequences for children. Recent research shows that while families only use subsidies for short spells. A national study found that half of families receiving subsidies use them for 7 months or less; yet these subsidies make it possible for children to remain in the care of a consistent provider.²

¹ Early Childhood Commission Annual Report, June 2002

² (Dynamics of Child Care Subsidy Use: A Collaborative Study of Five States, National Center for Children in Poverty)



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- A Center for Children and their Families

*Quality child care benefits not only families, but also business and the local community. Access to consistent, affordable, quality care lowers absenteeism; reduces employee turnover; improves employee morale and commitment; lowers training and recruitment cost; and increases employee productivity and performance.*³

*Quality child care also has long term positive consequences for children, their families and the economy. Several recent research projects have shown that investments in child care have a high return. For example, the High Scope Perry Preschool Project in Michigan found that for every dollar invested in a high quality early childhood program for children, the direct and indirect economic benefits exceed \$7. Children from high quality preschool education programs have higher high school graduation rates and college achievement.*⁴

We Need These Changes Now*

Finally, while the commission advocates for these changes when the state fiscal picture improves, we urge you to ask for these changes immediately. It is not that we don't understand the depth of the state's fiscal situation. However, increasing this investment now can reduce public spending over time. Providing better child care assistance can help low-income families stay in the workforce and welfare families move into the work force so the state can continue to meet welfare work requirements. Greater access to quality child care can also reduce incidents of child abuse and neglect, and improve the health and well being of children resulting in fewer public dollars going to remedial education, child welfare costs and medical care expenditures.

Thank you.

³ (How Does High Quality Child Care Benefit Business and the Local Economy, Jen Brown of the Economic Opportunity Institute, July 2002)

⁴ Ibid.

ECC Statement on City Legislative and Budget Priorities

The Alexandria Department of Human Services estimates that there are approximately 3,700 low-income children under five in Alexandria, and less than half of these children are being served in childcare supported by public funds. The Alexandria Early Childhood Commission asks City Council to support its 2002 Legislative Position and consider local budgetary measures to accomplish these goals:

I. Endorse state budget amendments to use Temporary Assistance to Needy Families (TANF) reserve funds and additional General Funds to support an increase in child day care subsidies to the working poor:

1. Ensure Virginia draws down and uses all possible federal childcare funding to serve more eligible families, and developing and implementing subsidized childcare policies that increase access to childcare for the working poor.

a) When a family exceeds income guidelines, but does not make enough to be self-sufficient, they can be forced to leave the work force because they cannot afford the full cost of market rate childcare, or they may be forced into homelessness.

b) This week ALIVE! received a call from a working mother with two children who lives in Alexandria and is struggling on the edge. Although she works for the federal government and makes \$35,000 a year, she has to pay \$790 for rent each month and \$145 per week for childcare for her 20 month old. She is working, she is paying taxes, she does not qualify for childcare assistance, or other subsidies and support, and she is teetering on the brink of homelessness or joblessness.

c) At current state set eligibility limits for childcare subsidies--185% of the Federal Poverty Level--the cut-off for a family of three is \$27,792. But the recently released Self-Sufficiency Standard Report for Virginia, funded by the Ford Foundation, estimates this family would need to make over \$45,000 to be self-sufficient. The gap between childcare subsidy cut-offs and a self-sufficient income for this family of three is over \$17,000. The gap between this mother's salary and a self-sufficient income is \$10,000 each year. This mother was desperately going through her CFC Campaign catalogue calling to find help.

2. Revise Virginia's eligibility for state subsidized childcare to no less than 200% of the Federal Poverty Limit.

a) Although the state revised the eligibility limit up from 170% to 185% in 1998 to reflect the high cost of living in Northern Virginia, eligibility cut-offs remain much too low. Rents have risen dramatically over the last two years in Alexandria, and gas utility costs have risen sharply as well. Before welfare reform was enacted by Virginia in 1996, Northern Virginia families could make up to 75% of

the State Median Income, or over \$48,000 a year for a family of four—now the state cut-off is roughly 51% of the State Median Income, or only \$33,490. The federal cut-off is up to 85% of the State Median Income, or \$54,700 a year for same that family of four

3. Extend child care subsidies for an additional year to working, low-income families "aging out" of the welfare program

a) Research shows that although many former welfare clients are working, their wages are too low for them to be self-sufficient. If welfare reform is going to work, then families will need a more gradual phasing out of support services such as Medicaid, childcare and transportation to allow time for these families to earn enough income to be self-sufficient.

II. Increase the Maximum Reimbursable Rate paid to childcare centers and providers to reflect actual market rates for childcare.

1. Reinstate the previous method for reimbursing childcare centers and providers who care for children on subsidies, and conduct market surveys and increase rates every two years to comply with federal regulations.

a) Because the state did not set new rates until 2001, there had not been an increase in the reimbursement rate for childcare providers for four years, and when this increase went into effect, the state said it could only afford to have half the increase go into effect.

2. When Market Reimbursable Rates is set too low, many providers charge parents the difference between the full fee and the reimbursement rate, on top of their parent fee.

a) Many centers and providers find they cannot afford to serve low-income children when they are reimbursed so much less than the actual market value for care.

b) For example, although the Maximum Reimbursable Rate is \$145, the typical cost for full day care at an accredited center in Alexandria is around \$165, a gap of \$20 each week or loss of \$1,000 per year per child to the provider.

3. Since the number of low-income children under five has increased 28% from 1999 to 2002, according to Department of Human Services estimates, any decrease in the number of centers and providers would be even more of a problem.

a) In fact, the percentage of at-risk children under five being served through programs receiving public moneys has dropped from 59% to only 37% between November 1999 and June 2002.

ROUGH DRAFT**Verbatim Transcript****City Council of the City of Alexandria
Saturday, November 16, 2002
City Council Discussion
Docket Item No. 9**

* * * * *

**9. Council Discussion – Public Hearing on the Proposed City Council
Legislative Package for the 2003 General Assembly Session.**

- Mayor: OK – that will close the public hearing, and this is regarding state legislation, what we need is a motion to receive the, close the public hearing and then schedule adoption on the 26th, and the motion will also include the three addendums, one that came from Ms. Woodson, one that came from Mr. Speck and one that came from myself.
- Eberwein: So, move.
- Speck: Mr. Mayor.
- Cleveland: Mr. Mayor.
- Mayor: Hold on, we got a motion by Councilwoman Eberwein, is there a second?
- Speck: Second.
- Mayor: Seconded by Mr. Speck, is there discussion? Mr. Cleveland.
- Cleveland: Mr. Mayor. I have no problem with, I only have one problem with one addendum item, and that's the one from you about asking for a increase in the gasoline tax. Uh, the people have already spoken soundly, and if we want to, I believe that if we really want to do something, we have to work and work for our fair share. And the

General Assembly, I've already talked to quite a few people down there. I was down in Richmond, Friday. I missed you, uh, Mr. Sunderland. I know you were down there, too. I talked to quite a few people down there, and I'm telling you this thing is going to be received DOA, Mr. Mayor. And if we want to work, if we really want to work with the people down there, I think we should try to work for our fair share but not send this down there. Let's not have, let's get rid of the, uh, of the uh, I would say the, the impression that Alexandria, you know from when I go down there for stuff, you're from the People's Republic of Alexandria, because you just can't listen to all, you just don't know what's going on. We know what's going on, and we know what we need, and we contribute the highest amount of money going to, uh, uh, Virginia, Mr. Mayor. And, I would just ask us not to send this down there because this is not going to be received good um uh, down there because the people have already spoken. And, I just ask that we not add this.....

Mayor: Well, actually the uh, well, actually we're not endorsing it today. We would adopt at the meeting on the 26th so that at that time we could separate the vote. But, in the meantime, maybe you could come up with a way that we're going to meet our Metro obligations. Uh, you can come up with a way for us to try to meet all the other needs we're going to hear about in the future. Because if the state continues to cut, uh, uh, local government budgets, well, you know, it's going to be our choice in order to meet these needs. We're either not going to be able to do it, or we're going to have to raise our taxes, so, perhaps, perhaps..

Cleveland: Mr. Mayor, Mr. Mayor, I pledge, I pledge to work work with, and just like I pledged to the people of Alexandria to serve them, I pledge to work with you not just to me to come up, but for all of us, and I have talked to people down there. I was down there and they're pledged is to work with us, but to send this down there, Mr. Mayor, is sending the wrong message. That's all that I'm going to say, and I will vote on this, and then you have already promised me a separation of the vote on the other end. I will go with that. Thank you, Mr. Mayor.

Mayor: OK, all right, keep in mind that you will be voting against, uh, mass transit, and against, uh, you know, needed resources. Mr. Speck.

Speck: Mr. Mayor. Uh..

Cleveland: We've already did it, the people have already spoken, sir.

Mayor: Mr. Speck.

Speck: Uh, I want to add something to the legislative package, uh, actually make a comment that is reflective of what we want to add and it relates to both the next docket item which is sort of the budget general discussion, and the following docket item as well. What I want to add for our package is uh to have us consider uh, OK, I want to make sure everybody listens to this because there's some significance to us wanting to add this, and that is to raise the specific question of a movie admissions tax. You remember when we came up, when we had this issue before we were not able to separate this from the general entertainment fee. It raised some problems. Uh, but now, I believe that we are in a position to uh, to have legislation drafted, uh for the General Assembly that would create a class for uh, movies, uh, movies specifically, uh, that would allow them to have assessed an admission fee. And, preliminary estimates from uh, from staff on this for and this is a discussion that we wouldn't have had a couple of years ago because we didn't know, but now we are the beneficiaries of what I think arguably is, well not arguably is the country's best run movie theaters, but apparently one of the country's most successful movie theaters and it's right here in Alexandria and the revenue projections on admissions tax, uh, are, uh, gets our attention. So, I would like to ask if we could include that in our discussion with our legislative delegation.

Pepper: Mr. Mayor, I'd be very interested in that because I remember when we discussed it a couple years ago, we were very anxious to find a way of doing that and there was just no way. So, if you're telling us that there's more information that's coming forward, and we will hear about it, I'd very much like to pursue that.

Speck: I believe that we can create a bill that specifies a class that would specifically be for movies.

Pepper: Can we?

Mayor: Um hum.

Pessoa: That's correct, Mr. Mayor. I mean it would have to be legislation in the General Assembly to segregate out for special taxation movies.

Mayor: OK. Ms. Pepper.

Pepper: Are you finished because I wanted to talk about something else.

Speck: No, I'm not. Uh, was it something specific on the moving thing? Because I had some other comments.

Mayor: Something else on the legislative package.

Speck: OK, do you want me to finish or?

Mayor: Go ahead.

Speck: All right. Uh, there was also uh, as an addenda to the legislative package was the matter of open space, and, uh, Mr. Caton has drafted some proposed language that we think there is a better chance that that may receive favorable consideration by the General Assembly to look at a recordation fee as a dedicated or additional recordation fee as a dedicated revenue for acquisition and preservation of open space. Uh, I note that because there are three docket items that, uh, are this being the first of three in succession that all in their own way tie together, uh, I think, rather significantly. Uh, on this one, we are talking about, uh, legislative matters that give us authority or opportunity to broaden our tax base off of real estate taxes as our primary source of revenue that we control. The next docket item is one in which we are going to hear from a number of people talking about the importance of either maintaining or increasing funding for needs and services and programs that are considered to be desirable or needed. The next budget item is one in which we are looking at a new approach to seeking private capital. In each one of these instances, the common theme is the critical importance of moving away from a dependency on real estate as our most significant source of revenue. Someone was making the comment earlier about some concerns about the kind of economy we're headed into, and I think those concerns are well founded. I think there are a lot of disquieting signals about the kind of general Northern Virginia economy that we're facing. But, I was doing a calculation, and I want to just relate this in a way that I think that we

all can connect to as to why all these pieces are so important. If you were a home purchaser thirty years ago, moved to Alexandria, saved some money for a down payment, the average price of a single-family home thirty years ago was approximately \$35,000. You put together the down payment, you borrowed the money, and under the ratios that were used at that time, you would have spent about \$175 a month for your mortgage. Thirty years later, your mortgage is about paid off. The average price for a single-family home now would result in your taxes alone being close to \$300 a month. In other words, the taxes as a function of our revenue are going to be considerably more than someone may be very well paying for their mortgage. And you hear that from a lot of people. People that are older, that are retired that want to continue to stay here and they find that it is increasingly difficult. One of our obligations, and that's why these three items tie together, is to find ways to seek revenue that broaden the base solely from just our taxpayers while we are meeting new needs and frankly being innovative in other ways to seek either support or revenue. And, I think it's a critical situation because we know that we are not going to get a lot of help from the state, in fact, we've lost revenues that we have typically counted on. We know we're not going to be getting it from the Feds, they're back into deficit spending, and in Virginia because of the requirement constitutionally, we must maintain a balanced budget. If we are not able to create these other mechanisms either legislatively or by our own actions, the burden is going to fall on everyone sitting here in this room as residential taxpayers. And, I think one of our obligations is to do everything we can to make sure that we are not driving people out of the City because they can't afford to pay their taxes. So, uh, these things to me all tie together very much, and I think that each one of them in its own say is critically interdependent on the other, and I just appreciate the chance to make that comment. Thank you.

Woodson: Mr. Mayor.

Mayor: Wait a minute, Ms. Pepper, then Ms. Eberwein and do you want to

Woodson: I just want to dovetail on his comments.

Mayor: Why don't you, well if you're going to dovetail on his comments, go ahead quickly, and then we'll go to Mrs. Pepper.

Woodson: I just noticed in the paragraph here that you have been working here with the General Assembly which is excellent because clearly the realtors' lobby is working with them, too. And, uh, they're very strong. They're very powerful, and they are going to fight this whole heartedly. Uh, clearly this is going to give us an opportunity to take the burden off of homeowners, but I'm also interested in taking the burden off those who are not yet homeowners and those who are renters, and I would very much like to see this recordation increased, if we are able to get it, to not just include open space because at a certain point we will reach a maximum of what we can buy because we're not making anymore land. Uh, I'd like to see this also include affordable housing, that it can be used and/or for open space and/or affordable housing, because that's an issue that's going to continue. We are not going to be able to find the cash in our traditional sense where developers are paying into the tax, into the uh trust fund, that's going to diminish. In fact, it's already being questioned about its legality. I mean we can't force anyone to do it. It's

Speck: It's a voluntary fee.

Woodson: It's only a matter of time before people say, well, you know what guys, we're not doing it. We don't have to, we're not going to, we can build by right. You know, I think that we have to look for alternatives, not just for revenue, but for affordable housing and for open space. I think both of them have to have alternatives. So, I'd really like to see the language changed only so that it says preserve open space and provide affordable housing in some, I'm not sure what that language would read, but I'm sure staff will fashion something.

Mayor: Well, actually, you know, since we will adopting it on the 26th we could probably come up with some language on that.

Woodson: That's what I'm thinking that staff can give us some language.

Speck: Yea, I know we're going to be able to. Uh, I don't have any disagreement with you about the goal uh, at all. I mean I think we both, we've all recognized that those two elements of the needs in this community are really underfunded, and, as I've said before, one of the problems of the Housing Trust Fund, uh, is the fact it is one

time contributions and not recurring. But, you also, you preferenced you comments by the uh, the role of the realtors in this, and we'll have a chance to talk about this, but I think when it comes up in the discussions that I've had with the realtors, their anxiety level is heightened by what they believe to be the first of many needs that will be hung on the recordation tax, uh, and so, one of the things that triggers that is when you begin to add other uh purposes. Uh, it may be that the way to address that is to insure that there is some sunset provision to this so that it doesn't become a huge fund because it continues to be recurring and that the realtors feel that in some way this will discourage real estate transactions. Uh, but from my standpoint, the only reservation I have is that adding affordable housing to it right now feeds right into the realtors uh flag that they wave you know, see you're trying to add all these other things to it and that's why we are opposed to it.

Woodson: Well, you know, I could understand that, but it actually there's a greater argument that they would say that if we came back later because, oh well, you got this now you're going to come back and get it again. Uh, so I'm not sure what your sunset suggestion is, but, you know, we can certainly discuss it. I do believe that if we don't add it now, it is very unlikely that the realtors are going to allow this to get by again, and quite frankly, Virginia's recordation, the cost of transactions in Virginia are so much lower than the costs of transactions in Maryland or in the District of Columbia, that their argument is selfish and arrogant, and it makes no sense. It's very easy to to to you know to demonstrate that this is not going to affect them in the way that they think it's going to affect them. I mean we've got to close to a billion dollars in transactions in Alexandria alone. There is a lot of money that is, you know, we could grab even at 50 cents per 1000 of sales. It's a huge amount of money and it's not going to affect their transaction opportunities, and really that's all they're concerned about, is their transaction opportunities, so, let's discuss how this can work, so that we can get both of them done and at one time because I have to tell you, I don't see them allowing it to happen again. That's when you say, oh well, now you've opened the door, and you're going to just let any old body in.

Speck: I'm happy to have that discussion.

Woodson: Good. Great.

Mayor: Mrs. Pepper.

Pepper: Well, just very quickly. I'd like to go back to the discussion about the 2 cent increase on the gas tax. Uh, I really hate to uh disagree with my distinguished colleague down here, but uh, I have to favor that uh tax. When I heard about it, I thought, oh, that's way out, at a time like this we're asking to increase the taxes, uh, and this particular kind of tax seems so unfair because it really hits people who can't afford, uh, any kind of increase in taxes and, I really did a lot of thinking about that, and I really feel that we should go, uh, now to the legislature. We need to keep the pressure on, yes, we lost our tax referendum, but, we're broke. We're just honestly out of money, and the reason I want to talk about this is simply because I think the community needs to understand that why we would be going and asking for an increase here. I think there's a feeling that some how or another the legislature is going to find money or some how or another the City is going to find money. The money isn't there to find. And, we have to do something and that's why you see us kind of scratching around trying to find any kind of additional resources, any kind of new revenues. Uh, anything we can use and even if this is not well received, uh, by the general legislature, they need to hear our pleas because at some point, they have to respond to them. I think this is urgently needed.

Mayor: I agree. Thank you, Mrs. Pepper. Ms. Eberwein.

Eberwein: Yes, I just wanted to, uh, let my colleagues know, and I'm going to ask Barbara Ross, Bernie and Ignacio to address us when we go back to work with our legislators. I'm very interested in introducing something, not necessarily to this year's package and that's why I think we can talk about it, I don't know if we can put it together for this year's package, but that's something with regard to design standards legislation. It would allow us to introduce design standards and criteria through the zoning ordinance which could be implemented at the staff level. Currently, we do this in the City using the sup process for large developments and a few smaller ones that fall into that category such as restaurants. Uh, and we also have the BAR mechanism for the Old and Historic District. But there are large areas of this City where we don't have any design criteria. This could be very helpful to us in doing things like preserving a community like Lynhaven from mass infill development. Creating

some design standards that would not allow an issue that came before us briefly which was enclosing porches, and changing the character of these historic buildings in areas that, quite frankly, we have no ability to govern them right now. And, we're looking at it as a non-intrusive way where you don't have to go through a number of hurdles, but it could be implemented at the staff level with their judgement. Another example might be with regard to commercial street developments and certain things we could have with regard to signage. If anyone has questions about it, that's fine, and I don't want to take your time when we have a full docket today, but I do want to let people know that I would like to talk about that when we meet with our legislators, and as I said, I've already met with Barbara Ross and Bernie about this. I'm sure Ignacio has been brought into that conversation via telephone, and I'm hoping that you will favorably look at it. If there is no way we could do it this year, at least, favorably look at it for next year. Thank you.

Mayor: OK. Thank you, Ms. Eberwein. Uh, that brings us to a close in the public hearing. Do we have a motion? Did we get a motion?

Clerk Yes.

Mayor: We did, ok. All of those in favor of the motion, say "aye", it was so long ago, I'd forgotten, those opposed "no", that then passes unanimously. We'll schedule this item for adoption on the 26th following our work session with the General Assembly.

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